

I look forward to working with Representative STUPAK and my other colleagues to help pass this legislation.

HONORING EDWARD R. CASSANO

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 2000

Mrs. CAPPS. Mr. Speaker, I rise today to recognize Lieutenant Commander Edward R. Cassano, who has served as Manager of the Channel Islands National Marine Sanctuary for the last four years.

Ed will be stepping down from his post at the Sanctuary next week, but he will not be leaving his passion for the ocean. Ed will assume the role of Executive Director at the Santa Barbara Maritime Museum.

Ed's commitment to our oceans and coastal resources is second to none. Throughout his tenure as Sanctuary Manager, Ed has led efforts to broaden the role and increase awareness of the National Marine Sanctuary Program and it is for this reason that I have been proud to support our Sanctuary Program here in the House.

One of the things Ed is best known for is his ability to bring people together and create partnerships. For example: the Marine Educators' Regional Alliance represents over 30 organizations concerned with marine education; the Research Activity Panel representing over 25 marine institutions that join together to identify research needs in the Sanctuary; and the Sanctuary Advisory Council which brings together community organization and local, state, and Federal agencies to ensure public input for the Sanctuary Program. All of these were formed under Ed's leadership.

Mr. Speaker, last month the California Coastal Commission passed a Resolution honoring Ed for his dedication and outstanding contribution to the State of California and the National Marine Sanctuary Program. This Resolution states that Ed's work is a proud legacy that has significantly improved the quality of life for the people of California and the Nation. I couldn't agree more and I am truly honored to be Ed's Representative in Congress, and more importantly, his friend. I know that his leadership on marine and coastal issues will continue.

THE REPUBLIC OF KAZAKHSTAN

HON. PHIL ENGLISH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 2000

Mr. ENGLISH. Mr. Speaker, next month, I will have the privilege of visiting the Republic of Kazakhstan to witness firsthand this vigorous young nation's emergence, under the leadership of its President Nursultan Nazarbayev, as a bastion of democracy and free market economy in Central Asia. I am entering into the RECORD three articles written last week by Scott Hogenson, Executive Editor of the Conservative News Service (CNS), who just returned from Kazakhstan. Mr. Hogenson spent time in Kazakhstan reporting on that na-

tion's rich ethnic and cultural diversity, its free media, and its strategic importance to the United States.

At a time when we are paying upwards of \$2.00 for a gallon of gasoline, Kazakhstan is a viable source of hope for us. This non-OPEC member is rapidly developing its enormous oil and natural gas reserves with the help of Mobil, Chevron, and other U.S. corporations. As reported by Mr. Hogenson, Kazakhstan is an ally of the U.S. and a secular Moslem nation that has befriended Israel and stood up against Islamist terrorists.

Please take the time to read these fascinating articles and join me in saluting Kazakhstan's struggle to right itself after 70 years of brutal Soviet repression.

CULTURAL DIVERSITY REFLECTS GAINS IN
KAZAKHSTANI DEMOCRACY
(By Scott Hogenson)

ALMATY, KAZAKHSTAN (CNSNews.com).—Ivan Bernardovich Zinkevich describes Kazakhstan's transformation from communism to democracy as one that resulted in his Polish heritage being "reborn."

The re-birth of ethnic and cultural identity among Kazakhstan's minority populations was demonstrated in no small part Sunday afternoon when a crowd of about 100 ethnic Poles rose to their feet as a nine-member youth choir sang the Polish national anthem during a cultural celebration in Almaty, an act that would have been considered criminal a few decades ago.

Zinkevich, the 60-year old chairman of Almaty's Polish Cultural Center, called this and other public displays of cultural heritage a "very significant" freedom for Kazakhstanis, who have been laboring to make democracy work since the nation declared its independence from the former Soviet Union in 1991.

While the vast majority of Kazakhstan's 15.6 million residents are either Kazakh or Russian, people representing more than 100 other ethnic groups also live in this sparsely populated central Asian nation whose geography makes it the ninth largest country on Earth.

But Zinkevich made it clear that he and the estimated 47,000 ethnic Poles living here do not want to be separate from the rest of the nation. Speaking through a translator, Zinkevich said Poles "want to be Kazakhstanis but also want ethnic identity," within Kazakhstan.

Born in Kazakhstan in 1940, Zinkevich is the son of Polish parents who, like millions of other non-Russians, were deported to this region of the former USSR in 1936 under the dictatorship of Joseph Stalin. More than half a century later, the mass deportation of people to Kazakhstan has resulted in a population that is among the most diverse in the world.

While many of the new nations created from the demise of the Soviet Union have struggled with varying degrees of ethnic strife, Zinkevich said there are "no conflicts," among Kazakhstan's ethnic peoples, a view shared by the leader of the country's National Democratic Party.

Hasen Kozha-Ahmet, who heads one of the numerous opposition parties to President Nursultan Nazarbayev, described the country's indigenous Kazakh population as "very tolerant," though he said through a translator that there is a "distrust of some ethnic Russians among some of the nation's Kazakhs, who comprise roughly 52 percent of Kazakhstan's citizens. Russians are the second largest ethnic group in the country, representing about 31 percent of the population.

A staunch Kazakh nationalist and anti-Communist, Kozha-Ahmet attributed some

of the distrust he described to "the humiliation of the Kazakh people," under Soviet rule. But Kozha-Ahmet said he is generally pleased and optimistic about continued harmony between the many ethnic groups living in Kazakhstan.

Although general tolerance among the various peoples plays a large part in keeping Kazakhstan essentially free of ethnic strife, the growth of free-market economies also plays a part in maintaining social and political stability.

Sergy A. Tereschenko, chairman of the majority Otan Party that supports Nazarbayev's administration, said continued emphasis on economic reforms and creating stronger markets are not only key elements of the party's platform, but also represent "the most difficult issue," for his party and the nation.

"If a majority (of citizens) does not have work, they express dissatisfaction," said Tereschenko, a former communist who assumed leadership of the Otan Party after serving as Nazarbayev's first prime minister.

Speaking through a translator, Tereschenko likened the "establishment of a middle-class," in Kazakhstan to the Biblical account of the Jews' 40-year sojourn through the desert.

"It is very difficult to show benefits to capitalism," said Tereschenko, an agricultural businessman who said he repudiated the economic precepts of communism after studying and learning the business structures of the United States and other democracies during the course of his travels abroad.

The economic challenges facing the people of Kazakhstan and their associated political challenges for the Otan Party are not small. With a population that is shrinking due to emigration by some from Kazakhstan and the continuing recovery from the nation's economic contraction following its independence from the old USSR, Tereschenko emphasized the importance of writing legislation and policies "that are clear to the people."

"To accept law is one thing. To explain it is another," said Tereschenko, who added that a primary need for the Otan Party is to "prove the value (of democracy) by demonstration." The Otan Party holds 32 seats in the 77-member Majilis, or lower chamber of Kazakhstan's Parliament. By comparison, Kazakhstan's Communist Party holds four seats in the Majilis.

In attempting to overcome the difficulties of throwing off communism and introducing the relatively unknown precepts of free-market economic policies to a people who have enjoyed little freedom for the past two centuries, Nazarbayev had issued a sweeping package of proposed long-term reforms known as the "Kazakhstan 2030" plan.

Nazarbayev's proposals address a wide range of needs and goals for the nation, covering national security and domestic stability, management of the country's large oil and mineral reserves, the development of a professional class of government employees, education, health care and other social issues, increased economic growth through open markets, and improving the country's communications and transportation infrastructure.

In delivering his Kazakhstan 2030 proposals, Nazarbayev spoke to all citizens in asking the country to "share my vision for the future of our society and the mission of our state," but there also is a strong emphasis on the younger generation of Kazakhstanis and the need to "say once and for all what future we want to build for us and our children."

The long view of Kazakhstan 2030 is reflected in part by Nazarbayev's recognition

of the "enormous domestic and external difficulties," facing the country. "Many representatives of our generation won't live to the time when this strategy will be realized," Nazarbayev said. "Our children will estimate its reality and the correctness of the work implemented by us."

While the complete implementation of Nazarbayev's plan remains a distant vision, some of the benefits of the president's stewardship over this infant democracy could be seen in the faces of dozens of teenagers practicing Greek line dancing Sunday at Almaty's House of Friendship, a multi-cultural center in the heart of Kazakhstan's largest city.

The youth smiled as they worked out to the quickening pace of music from Zorba the Greek, executing the sometimes complicated maneuvers of the dance and correcting the errors brought to their attention by their instructor.

The act of espousing a culture foreign to one's homeland may seem small among better established democracies but its significance is not lost on Kazakhstanis who lived through an era in which openly embracing one's heritage was forbidden.

As Polish Cultural Center Chairman Ivan Zinkevich said, the newfound freedom to celebrate their ethnicity is "a big happiness," for Kazakhstanis travelling the sometimes-rocky road to democracy.

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**NAZARBAYEV SLAPS US STATE DEPARTMENT
 REPORT ON KAZAKHSTAN**
 (By Scott Hogenson)

ASTANA, KAZAKHSTAN (CNSNews.com).—A US State Department report on Kazakhstan was singled out for criticism Tuesday by President Nursultan Nazarbayev, who called the report one that was "full of untrue facts" about the country.

Nazarbayev said the Clinton Administration briefing falsely accuses Kazakhstan of holding political prisoners, torture, broad government control of the news media and misstates the process by which judges and other officials are appointed.

While acknowledging generally good relations between the US and Kazakhstan, Nazarbayev warned that the inaccuracies in the State Department's report on this central Asian country "makes the distance between the two nations larger," and said he wanted an opportunity to "make a presentation" to correct the record.

US State Department officials were not available for comment by press time, but its 1999 report on human rights noted irregularities in that year's presidential elections and claimed Nazarbayev held the power to legislate by decree.

Federal judges and other appointed officials in Kazakhstan must be ratified by the Senate, according to the Kazakh constitution. The process is similar to that in the US, where federal judges and other presidential appointees are subject to confirmation by the Senate.

Kazakhstan also faced criticism from the Organization for Stability and Cooperation in Europe, which monitored last October's parliamentary elections and said "interference by executive authorities in the broader electoral process must be halted."

But Nazarbayev, a former communist leader in the old USSR, pointed to the range of political parties represented in the Kazakhstan Parliament as evidence of the country's continued progress in strengthening democracy here.

The Kazakhstan Majilis, or lower house of Parliament, includes members from four political parties, including communists. The majority Otan Party, which supports Nazarbayev, holds 32 seats in the 77-member body.

Nazarbayev made his remarks through a translator during a news briefing with members of a Visiting Writers Delegation from the United States Tuesday afternoon in the capital city of Astana.

Other members of the delegation included American Spectator founder and publisher R. Emmett Tyrrell and Hoover Institution Senior Research Fellow William Ratiliff from Stanford University.

Nazarbayev acknowledged some shortcomings in recent elections in Kazakhstan, and government officials attributed most of the irregularities to misunderstanding of the process. Kazakhstan declared its independence from the former Soviet Union in December 1991 and has been instituting democratic and free-market reforms for the past nine years.

Kazakhstan has also been the focus of criticism by the US-based group Human Rights Watch, which reported last year that the government was engaged in censorship and manipulation of the electoral process. However, the presence of independent media in Kazakhstan was evident in Astana and Almaty, the nation's largest city and business center.

News photographers from independent television stations in Kazakhstan were routinely visible around the nation's capital this week, and a news conference attended by an estimated 20 reporters was in progress outside Nazarbayev's office immediately prior to the president's briefing with the US Writers Delegation.

Aides to Nazarbayev also said the president meets monthly with reporters from private media to conduct the equivalent of general news conferences.

While most media were controlled by the government during Kazakhstan's inclusion in the former Soviet Union, the country has made progress in transferring news outlets into private hands since repudiating communism, and independent news organizations have sprouted in large numbers since communist rule here was replaced with democracy.

According to the Ministry of Culture, Information and Public Accord, the number of newspapers in Kazakhstan has increased from 20 to 1,000 during the past decade, with an estimated 70 percent now under private ownership.

Similarly, Culture, Information and Public Accord Minister Altynbeck Sarsenbayev said the government currently operates one television news outlet while about 100 additional private television companies exist today.

Prior to joining the Nazarbayev administration, Sarsenbayev ran The Horizon, which he described as the only independent newspaper in Kazakhstan under communist rule in 1988.

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**KAZAKHSTANI PRESIDENT SUSPECTS
 TERRORISM AIMED AT OIL EXPORTS**
 (By Scott Hogenson)

ASTANA, KAZAKHSTAN (CNSNews.com).—Kazakhstani President Nursultan Nazarbayev Tuesday said he suspects certain Islamist terrorist activities outside the country are intended to impede the country's growth as a major oil producing state.

Citing the example of Chechen rebels warring with Russian troops in Chechnya, Nazarbayev said through a translator that he suspects some terrorist activities are designed "to make obstacles to oil transportation," by creating political instability in areas where future Kazakh oil pipelines are being considered.

Nazarbayev made it clear he intends to make Kazakhstan's growing oil industry competitive with other major oil producing states and said that while "we don't see any

direct threat to Kazakhstan," the government needs to work harder to combat "terrorism and banditism" as part of that plan.

Nazarbayev is Muslim, as are an estimated 47 percent of Kazakhstanis, making it the predominate religion practiced here.

This is a snapshot of pipeline politics: While American consumers are struggling with rising gasoline prices at the pumps, Nazarbayev and other government officials in Kazakhstan's capital city of Astana are struggling with the more onerous challenge of getting their massive oil reserves out of the ground and into the global marketplace.

The challenges in developing Kazakhstan's oil reserves, estimated to be among the largest on the planet, are compounded by a combination of financial, political and diplomatic considerations, according to officials interviewed by CNSNews.com.

The potential revenues and increased employment for Kazakhstanis associated with the country's growing oil industry are key components in the economic future of the country and are part of a broader political priority as well.

Minister of Culture, Information and Public Accord Altynbeck Sarsenbayev said the most important goals for Kazakhstan are to "strengthen our independence and free-market economy," and the government's attention to oil reflects its importance in achieving those goals.

As an emerging democracy that declared its independence from the former Soviet Union in 1991, this landlocked central Asian country is highly dependent on foreign investments to meet the multi-billion dollar cost of developing Kazakhstan's potential as a major player in the international oil arena.

Kazakhstan's Agency on Investments believes it will cost as much as \$160 billion to fully tap the country's oil reserves, and agency Chairman Doulat O. Kuanyshiev said efforts to attract foreign investment in Kazakhstan represent "the best opportunity to make a political statement" for Nazarbayev.

"Oil is always politics, not only money," said Kuanyshiev.

Kazakhstan has projected oil reserves of 110 billion barrels by 2015, which would place it among the top three oil-producing nations in the world, and the Nazarbayev administration has attempted to create what it hopes will become a political and economic climate that is conducive to the full exploitation of the country's vast reserves.

The development of Kazakhstan's potential as an oil producing nation is so important, the Kazakh constitution offers numerous legal protections for foreign investors and the Parliament has passed laws offering sizable tax advantages to firms willing to make investments in the country.

Among the "privileges and preferences" afforded outside investors through the Agency of the Republic of Kazakhstan on Investment are five-year long income and property tax holidays of up to 100 percent, additional tax holidays at a reduced rate, conferred land rights, and waivers on customs fees and tariffs on the importation of materials needed to continue building Kazakhstan's oil producing infrastructure.

These incentives are evidence of Kazakhstan's efforts to establish a viable democracy and free market economy after having broken away from communism less than a decade ago. "There is no way we can go back to the system we escaped from," said Zharmakhan Tuyakbai, the chairman of Kazakhstan's Majilis, the Lower House of the Parliament.

Tuyakbai is the equivalent of the speaker of the US House of Representatives and is a member of the majority Otan Party, which supports Nazarbayev.

Despite the large oil reserves in Kazakhstan, the country's three main oil refineries are operating far below capacity, according to government data. Oil deliveries were more than 50 percent below the combined capacity of the Shymkent, Pavlodar and Atyrau refineries in 1998, and the government calls upgrading the country's refining operations "a top priority."

Currently, Chevron and Mobil/Exxon are among the largest US investors in developing Kazakhstan's oil reserves.

Large as the challenge of drilling for oil is, a greater challenge lies in delivering these reserves to customers around the world. Kazakhstan is landlocked, so all of its oil must be delivered via pipeline or shipped through the Caspian Sea and through other oil producing states in the Middle East.

Oil is currently exported from Kazakhstan via a single pipeline running through Russia. But Kuanyshhev said the completion of a second pipeline to the Black Sea is expected to have what he called "an enormous impact" on Kazakhstan's role as an oil-producing nation.

Kuanyshhev said the Black Sea pipeline, scheduled to begin operations in the autumn of 2001, would nearly double the country's current oil output and open global markets for Kazakh oil for the first time in the country's history.

The politics of further pipeline development include some of the most complex issues facing Kazakhstan. An analysis of various pipeline options indicates that some proposals, like one examining a pipeline through Chechnya, are unworkable at this time because of continued warring there.

The Chechens have not recognized Russian rule over them since the disintegration of the Soviet Union and the absence of independence for Chechnya makes the chances for such a pipeline route slim.

Other options are complicated by US foreign policy, including various proposals involving Iran, a route that is considered by many to be the most direct way of delivering Kazakhstan's oil to world markets.

US sanctions against Iran and American opposition to more Iranian pipelines makes such options less viable, according to Kazakhstan officials, but an aide to Nazarbayev said the president is "satisfied with overall US relations" at this time.

Even if a Kazakh pipeline to Iran could be established, it's not likely Kazakhstan would consider membership in OPEC, with one government official saying that Kazakhstan's strategy for oil production and exportation is "inconsistent" with current OPEC policy.

Upon completion of the Black Sea pipeline next year, Kazakhstan is expected to focus on a long-range project to build a pipeline that would run directly to the Mediterranean Sea via Azerbaijan and Turkey.

A pipeline connecting Kazakhstan to the Mediterranean would represent a significant leap for the country, officials said. Not only would such a pipeline increase the country's total oil exports, it also would alleviate the strategic risks that can be associated with having to ship products through the Black Sea and the narrow passage that connects it to the Mediterranean.

The internal political implications are also considerable for Kazakhstan. Nazarbayev's Press Secretary, Asylbek K. Bisenbayev, said the means of exporting oil are even more important than increasing production if the country is to continue moving forward with free-market reforms.

"Oil is important to developing a middle-class in Kazakhstan," said Bisenbayev, underscoring the need to shrink the income gap between rich and poor. With the expansion of the country's middle-class also being a political imperative for the majority Otan Party,

the future of democracy in Kazakhstan hinges in large part on tapping the oil beneath it.

APPOINTMENT OF JOE MCDADE, FORMER MEMBER OF PENNSYLVANIA 10TH DISTRICT FOR 36 YEARS

HON. DON SHERWOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 2000

Mr. SHERWOOD. Mr. Speaker, I want to bring to the attention of the members of the House the selection of their former colleague, Joe McDade, as Chairman of the Board of Trustees of Ford's Theatre Society. The Society is non-profit organization whose mission is to produce live entertainment on the historic stage at Ford's Theatre. Musicals and plays are produced at Ford's Theater that highlight our nation's multiculturalism and the diversity of American life.

Congressman McDade served with great distinction as the Representative of Pennsylvania's 10th District for 36 years. His contributions to the prosperity and well-being of his constituents are legendary in Pennsylvania and his service to his nation, particularly on the Appropriations Committee, is well known by the Members of this Chamber. He currently serves as Chairman of the Board of ETA, a respected government relations firm based in Washington.

Joe McDade is an excellent selection for Chairman of the Board at Ford's Theater Society. He has always been a strong advocate and genuine aficionado of the arts, having served on the Ford's Board since 1970 and on the Kennedy Center Board for 25 years, where he is a Trustee Emeritus. He is also a Trustee Emeritus at the University of Scranton, and serves as a Board member for Allied Services for the Handicapped.

Congressman McDade's achievements have been recognized by several organizations, including the National Parks and Recreation Association, the U.S. Chamber of Commerce, the Pennsylvania American Legion, the National Association of Defense Lawyers and the National Osteoporosis Association.

The Secretary of Defense awarded Congressman McDade the Medal for Distinguished Public Service, the highest civilian award that can be given by the Department of Defense, and Governor Tom Ridge honored Joe McDade's work by issuing an executive order establishing "Joe McDade Day."

I know that my colleagues would join me in congratulating Congressman McDade for his selection as Chairman of the Board for the Ford's Theater Society and wishing him the very best as he carries out his important new responsibilities.

INTRODUCING THE HEALTH CARE ACT

HON. RICHARD K. ARMEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 2000

Mr. ARMEY. Mr. Speaker, proudly I join my colleague from California, Mr. DOOLEY, in in-

roducing the Health CARE Act. The word "CARE" in the title stands for Coverage, Access, Relief, and Equity. Mr. Dooley and I believe this legislation will provide those things for millions of uninsured Americans. We regard this new bipartisan bill as affordable and enactable, and we will work to pass it this year.

Identical legislation is being introduced in the Senate by a group composed of three Republicans, Senators JEFFORDS of Vermont, FRIST of Tennessee, and SNOWE of Maine, and two Democrats, Senators BREAU of Louisiana and LINCOLN of Arkansas.

The CARE Act creates a tax credit for the purchase of health insurance, and is to be the first in a series of measures that our bipartisan, bicameral group will propose to address the chronic problem of uninsurance in our country. Today, at any given moment, forty-four million Americans can be found who lack health-insurance coverage. They become uninsured for a variety of reasons, and it will take a variety of responses to address this growing problem.

I should note here that the CARE Act is very similar to a bill I introduced last summer under the title of the "Fair Care for the Uninsured Act" (H.R. 2362). The CARE Act differs from Fair Care mainly in being less costly and thus, I hope, more enactable. The basic principles of the two bills are the same, and I will continue to work for the enactment of Fair Care as my long-term objective. I will not let the perfect be the enemy of the good. The CARE Act is a good first step and a solid proposal in its own right.

Experts agree the uninsurance problem is caused in large part by Section 106 the Internal Revenue Code. Section 106 gives an extremely generous tax break for the purchase of health coverage, if it is purchased through one's place of employment but not if it is purchased elsewhere. This discriminates against people who buy their insurance outside the workplace. Such discrimination may have been tolerable in the 1940s and 1950s, when it was common for a citizen to be employed at one large company for most or all of his or her working lifetime. But it is completely out of step with today's dynamic workforce. Today, this health penalty tax, as I call it, falls most heavily on people who are mobile and part-time, on day laborers, farm workers, and the like. It falls especially hard on Hispanic Americans, who are often employed in these ways, and one-third of whom are uninsured nationally.

Section 106 is unfair in another way. It discriminates against lower-paid workers. Because today's tax-code is progressive, taxing people at increasingly higher rates as their incomes rise, tax breaks like Section 106 are by definition more generous to those in the higher tax brackets. Thanks to this regressive aspect of our system of progressive taxation—a system I hope to see replaced someday by the Flat Tax—the highly paid CEO today gets a much more generous tax break for health coverage than does the waitress at the corner coffee shop. This unfairness needs to be addressed.

Right now, the ranks of the uninsured are swelling by more than 100,000 persons a month, and it appears this pace will continue unabated until we go to the root of the uninsurance problem, and that is the tax code. The time has come for a more equitable tax